



ELECTRONIC PULL-TABS AND ELECTRONIC LINKED BINGO

June 2013

This booklet contains:

- information on the conduct of electronic pull-tabs and electronic linked bingo
- Cash banks and monthly reporting of electronic games
- Common Questions related to electronic game devices
- Form LG861e, Daily Cash Bank Accounting for Electronic Pull-tabs and Electronic Linked Bingo
- Form LG863, Electronic Pull-tab or Linked Bingo Device Log
- Worksheet EGD, Electronic Games Deposit
- Worksheet ELB, Calculations of Amounts Due to Electronic Linked Bingo Provider

Questions? Contact a compliance specialist.

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ELECTRONIC PULL-TAB BASICS

INFORMATION FOR THE CONDUCT OF ELECTRONIC PULL-TABS

Electronic pull-tabs are played in almost the same manner as paper pull-tabs. A player buys a ticket with one or more windows concealing symbols. The player opens the windows to determine whether the symbols on the ticket match the winning symbols as listed on the game flare.

Although electronic pull-tab games play in almost the same way, there are some differences in the way electronic pull-tab games are conducted.

- There are no paper pull-tab tickets to count, deface, or store.
- A player pays cash to a seller who then puts cash credit on a hand-held device.
- The devices “communicate” with an on-site point-of-sale computer (POS) using a secure Wi-Fi connection.
- The player uses the cash credit on the device to purchase electronic pull-tab tickets one at a time.
- A single cash drawer, similar to the cash register system currently allowed for paper pull-tabs, is used for all electronic pull-tab games in play.
- Net receipts for each day’s electronic pull-tab activity must be deposited within four business days.
- Winning electronic tickets are redeemed instantly by automatically adding cash credit to the hand-held device.
- Prize receipts are not required for electronic pull-tab games.
- Money is paid to players only when the device is returned with a cash credit balance.

Purchasing Electronic Pull-tab Games

- Electronic pull-tab games are ordered from a licensed distributor in the same way as paper pull-tabs, but are “delivered” to the site electronically as determined by the licensed organization and distributor.
- The actual purchase is made as each game is electronically loaded on the point-of-sale (POS) computer and made available for play.

Obtaining Electronic Pull-tab Equipment and Handheld Devices

- The computer, hand-held devices, and other equipment needed to conduct electronic pull-tab games are provided by or leased from a licensed distributor.
- Costs of the internet access needed to operate the electronic pull-tab system must be paid by the lessor.

Maximum Number of Electronic Pull-tab Devices Available for Play at Each Site

- Six for sites with less than 200 seats.
- Twelve for sites with 200 or more seats.
- Fifty at sites where the primary business is bingo (bingo hall) and the site seats at least 100 people.
- Seating capacity is determined by the fire marshal and is posted at each site.

Electronic Pull-tab Game Requirements

- 25 cent minimum ticket price
- \$5 maximum ticket price (same as paper pull-tabs)
- Prize limits are the same as for paper pull-tabs
- 7500 ticket maximum per deal
- Electronic pull-tab games may be commingled. (Tickets from multiple deals of the same form number and ticket price are electronically “mixed” together. When a player purchases a ticket, it is randomly selected from any one of the commingled deals.)
- The form number and serial number is listed on each ticket purchased.

Sales to Players

- Players must present a valid picture identification card that includes the player’s address and date of birth.
- Seller enters information on LG863, Electronic Pull-tab or Linked Bingo Device Log and assigns a device to the player (an adhesive print-out from a driver’s license scanner may be attached to the log sheet instead of filling out the information by hand).
- Player gives cash to seller for the amount of cash credit the player would like loaded on the hand-held device.
- Seller collects cash and uses point-of-sale computer (POS) to load cash credits on device and then gives the electronic pull-tab device to the player.

Using a Hand-held Device to Purchase Electronic Pull-tabs

- Player selects an electronic pull-tab game from list of games currently in play.
- Player is able to view game flare information.
- When player purchases a ticket, cash credit amount goes down.
- When player wins, cash credit increases.

“Cashing Out” Electronic Pull-tab Devices

- If cash credit remains on the device when the player discontinues playing, the player brings the device to seller. The seller then pays the player for the value of the cash credit on the device.
- No prize receipts or federal withholding forms are required regardless of the amount of cash credit being paid out.
- If a hand-held device has any cash credits remaining on it that were not redeemed by the end of the day’s activity, the outstanding cash credits revert to the organization.

ELECTRONIC LINKED BINGO BASICS

INFORMATION FOR THE CONDUCT OF ELECTRONIC LINKED BINGO

Electronic linked bingo is played on a handheld and portable electronic device linked to participating sites throughout the state that allows players to participate simultaneously for a state-wide progressive jackpot. Games are operated by a licensed “Electronic Linked Bingo Provider” (ELBP).

Although electronic linked bingo games play in similar ways to regular bingo games, there are some differences in the way the electronic games are conducted.

- New games start continuously
- There are no paper bingo sheets to count, deface, or store.
- A player pays cash to a seller who then puts cash credit on a hand-held device.
- The devices “communicate” with an on-site point-of-sale computer (POS) using a secure Wi-Fi connection.
- The player uses the cash credit on the device to purchase electronic bingo cards, limited to 36 faces per game.
- A single cash drawer, similar to the cash register system currently allowed for paper pull-tabs, is used for all electronic linked bingo games in play.
- Net receipts for each day’s electronic linked bingo activity must be deposited within four business days.
- All prizes are awarded by the ELBP.

Obtaining Electronic Linked Bingo Equipment and Handheld Devices

- The computer, hand-held devices, and other equipment needed to conduct electronic linked bingo games are provided by or leased from a licensed distributor contracted through the linked bingo provider.
- Costs of the internet access needed to operate the electronic linked bingo system must be paid by the lessor.

Sales to Players

- Players must present a valid picture identification card that includes the player’s address and date of birth.
- Seller enters information on LG863, Electronic Pull-tab or Linked Bingo Device Log and assigns a device to the player (an adhesive print-out from a driver’s license scanner may be attached to the log sheet instead of filling out the information by hand).
- Player gives cash to seller for the amount of cash credit the player would like loaded on the hand-held device.
- Seller collects cash and uses point-of-sale computer (POS) to load cash credits on device and then gives the electronic linked bingo device to the player.

Using a Hand-held Device to Purchase Electronic Linked Bingo Cards

- Player is able to view bingo game information.
- When player purchases a bingo card, cash credit amount goes down.

“Cashing Out” Electronic Linked Bingo Devices

- Winning electronic credits of \$599 or less are paid instantly by automatically adding cash credit to the hand-held device.
- Prizes of \$599 or less may be redeemed on-site on behalf of the ELBP and do not require a prize receipt.
- Prizes of \$600 and over are paid by check directly from ELBP within three days.
- No prize receipts are required regardless of the amount of cash credit being paid out.
- If a hand-held device has any cash credits remaining on it that were not redeemed by the end of the day's activity, the outstanding cash credits revert to the organization.

ELECTRONIC PULL-TAB AND LINKED BINGO GAME CASH BANKS AND MONTHLY REPORTING

Starting Cash Banks

If Lessor Provides Start Bank

- The lessor may provide the starting cash bank if electronic games are sold by the lessor or the lessor's employees. The organization's gambling manager should work with lessor to determine appropriate bank amount.
- The lessor is responsible for having sufficient cash on hand to pay players for the cash credit amounts on all returned electronic game devices.

Organization Provides Start Bank

- The organization is responsible for having sufficient cash on hand to pay players for the cash credit on all returned electronic game devices.
- It's recommended that the organization maintain a reserve start bank in a safe located at the site. If necessary, these funds can be used to replenish the start bank at the end of the day's activity when the ending cash balance is lower than the starting cash bank amount.
- If a reserve bank is maintained, the organization should keep a log of all funds taken from and returned to the reserve bank.

Tracking Deposits and Shortages

Lessor Provides Start Bank

- At the end of each day, the lessor or a lessor's employee prepares a cash deposit equal to the net receipts of that day's activity (no cash shortages).
- The organization designates a person (may be an organization employee or volunteer, the lessor, or one of the lessor's employees) to deposit the cash within four business days.
- The organization is able to remotely monitor each day's net receipts and compare these amounts to the cash deposited into the gambling account.
- Worksheet EGD, Electronic Game Deposits is recommended for tracking monthly deposits.

Organization Provides Start Bank

- LG861e, Daily Cash Bank Accounting for Electronic Pull-tabs and Electronic Linked Bingo, is used to track shortages and deposits.
- One line on the form is completed for each day's activity.
- At the end of each day, the seller prepares a cash deposit equal to the cash proceeds of that day's activity.
- The organization designates a person (may be an organization employee or volunteer, the lessor, or one of the lessor's employees) to deposit the cash within four business days.

Month-end Reporting

Inventory

- A list of the games in play and each game's cost must be included on the organization's month-end LG846 Physical Inventory report.
- If there was no charge for the games, they do not need to be included on the physical inventory form.

Cash Long or Short – Organization Provides Cash Bank

- The total cash long or short taken from the LG861e, Daily Cash Bank Accounting for Electronic Pull-tabs and Linked Bingo form is reported on the Schedule A, line 22L.

Cash Long or Short – Lessor Provides Cash Bank

- There will be no cash long or short amounts. Deposits made during the month must equal each day's net receipts.

Amount due to ELBP

- Complete Worksheet ELBP to calculate the amounts due to the electronic linked bingo provider.
- Provider fees are reported in the month they are actually paid on the Schedule A, line 22j.

Reporting Game Results to the Minnesota Department of Revenue

Starting with your June 2013 gambling tax return (due July 20), you must:

- Report and pay tax on electronic pull-tab receipts based on monthly activity.
- For electronic pull-tabs that are still in play, select "In Play" on Schedule B2.
- When you close a game and remove it from play, mark it as "Played" on that month's return. Specify the date the game was removed from play.
- See the Department of Revenue's Lawful Gambling Tax Booklet or website for complete instructions.

COMMON QUESTIONS RELATED TO ELECTRONIC GAME DEVICES

What if the site loses power while electronic pull-tab or linked bingo devices are in play?

- The POS has a battery backup that will allow all devices in play to be cashed out.

What if someone takes a hand-held electronic pull-tab or linked bingo device from the premises?

- The device is designed so that it cannot be used for any purpose other than electronic pull-tab or linked bingo games conducted within range of the POS computer. Once the device leaves the site, it has no usefulness.
- If a device is stolen, the organization should contact local police and notify the licensed distributor.
- If the device is stolen while a player is using it, the player will still be able to cash out using the POS computer.
- The LG863, Electronic Pull-tab or Linked Bingo Device Log, is used to determine who was in possession of the device at the time of the theft.
- Unauthorized possession of an electronic gaming device is a crime.

What if a hand-held electronic pull-tab or linked bingo device is damaged by a player?

- If cash credit was on the device when it was damaged, the seller will still be able to cash out the device using the POS computer.
- If the damage was done intentionally, it should be treated as vandalism.
- Unintentional damage should be dealt with on a case-by-case basis.
- The LG863, Electronic Pull-tab or Linked Bingo Device Log, is used to determine who was in possession of the device at the time it was damaged.

LG861e Daily Cash Bank Accounting for Electronic Pull-tabs and Electronic Linked Bingo

This information is required daily to monitor the electronic game cash bank and to determine cash shortages amounts.

Exception: This form is not required if the bar owner (lessor) provides the cash bank.

Organization name _____

License/premises permit number _____

Site name _____

Month/Year _____

Starting cash bank amount at beginning of the month _____

Verified by _____

A	B	C	D	E	F	G	H	I	J
Date	Amount in cash drawer at beginning of day	Seller's Initials	Amount in cash drawer at end of day	Seller's initials	Net change to cash drawer amount Col.D minus Col. B	Net receipts (from POS report) * see below	Cash long or (short) Col. F minus Col. G	Amount removed from or added to cash drawer	Ending cash bank amount Col. D plus or minus Col. I

* For purposes of this form, net receipts equals total electronic linked bingo and electronic pull-tab gross receipts minus total electronic linked bingo and electronic pull-tab prize credits awarded.

Total cash long or (short) from this page

LG861e Daily Cash Bank Accounting for Electronic Pull-tabs and Electronic Linked Bingo

Organization name _____ License/premises permit number _____

Site name _____ Month/Year _____

A	B	C	D	E	F	G	H	I	J
Date	Amount in cash drawer at beginning of day	Seller's Initials	Amount in cash drawer at end of day	Seller's initials	Net change to cash drawer amount Col.D minus Col. B	Net receipts (from POS report) * see below	Cash long or (short) Col. F minus Col. G	Amount removed from or added to cash drawer	Ending cash bank amount Col. D plus or minus Col. I

* For purposes of this form, net receipts equals total electronic linked bingo and electronic pull-tab gross receipts minus total electronic linked bingo and electronic pull-tab prize credits awarded.

Total cash long or (short) from this page	
Total cash long or (short) from previous page	
Total long or (short) (report on Schedule A, line 22L)	

Instructions - LG861e

Daily Cash Bank Accounting for Electronic Pull-tabs and Electronic Linked Bingo

Complete a new form each month. Use at least one line on the form for each day's electronic game activity.

Before electronic sales begin for the first time in the month:

- Enter the date in column A, the amount of cash in the cash drawer in column B, and initial column C.
- The amount in the cash drawer should equal the starting cash bank amount at the beginning of the month listed at the top of the form.

At the conclusion of sales for the day:

- Enter the total cash amount in the cash drawer in column D, initial column E.
- Compute the net change to cash bank amount in column F by subtracting column B from column D. This may be a negative amount.
- Enter the net receipts as listed on the POS report in Column G. For purposes of this form, the net receipts includes:
 - electronic pull-tab gross receipts less prizes, plus
 - electronic linked bingo gross receipts less bingo prizes awarded in credits at the site.
- Subtract column G from column F and enter amount in column H.

Deposit or replenishment amount

- If the amount in column F was positive:
 - the amount column F must be deposited within 4 business days of the date in column A;
 - if the amount in column F is removed from the cash drawer so that it may be deposited, enter the amount pulled from the drawer in column I, then subtract column I from column D and enter the amount in column J;
 - if the amount from column F is left in the cash drawer, enter \$0 in column I and the amount from column D in column J
- If the amount in column F was negative:
 - if a check is written to replenish the amount in column F enter the amount added to the cash drawer in column I, then add column I to column D and enter the amount in column J
 - if no cash is added to the drawer, enter \$0 in column I and the amount from column D in column J

Monitoring Shortages by Shift

- LG861e can also be used to monitor shortages by shift. Complete columns A through H for each shift. Complete columns I and J only after the last shift of the day. It may be necessary to print additional sheets of the LG861e form.

LG863 Electronic Pull-tab or Linked Bingo Device Log

Organization name _____

Site name _____ License/premises permit number _____

Device Number		Player Information Attach Scanner Label or Print information	Device Number		Player Information Attach Scanner Label or Print information
Date		Name (Required)	Date		Name (Required)
		Address			Address
Time Out	Time In	City, State, Zip	Time Out	Time In	City, State, Zip
		Driver's license number or Other government ID # (required)			Driver's license number or Other government ID # (required)
Device Number		Player Information Attach Scanner Label or Print information	Device Number		Player Information Attach Scanner Label or Print information
Date		Name (Required)	Date		Name (Required)
		Address			Address
Time Out	Time In	City, State, Zip	Time Out	Time In	City, State, Zip
		Driver's license number or Other government ID # (required)			Driver's license number or Other government ID # (required)
Device Number		Player Information Attach Scanner Label or Print information	Device Number		Player Information Attach Scanner Label or Print information
Date		Name (Required)	Date		Name (Required)
		Address			Address
Time Out	Time In	City, State, Zip	Time Out	Time In	City, State, Zip
		Driver's license number or Other government ID # (required)			Driver's license number or Other government ID # (required)
Device Number		Player Information Attach Scanner Label or Print information	Device Number		Player Information Attach Scanner Label or Print information
Date		Name (Required)	Date		Name (Required)
		Address			Address
Time Out	Time In	City, State, Zip	Time Out	Time In	City, State, Zip
		Driver's license number or Other government ID # (required)			Driver's license number or Other government ID # (required)
Device Number		Player Information Attach Scanner Label or Print information	Device Number		Player Information Attach Scanner Label or Print information
Date		Name (Required)	Date		Name (Required)
		Address			Address
Time Out	Time In	City, State, Zip	Time Out	Time In	City, State, Zip
		Driver's license number or Other government ID # (required)			Driver's license number or Other government ID # (required)

Instructions

LG863 Electronic Pull-tab or Linked Bingo Device Log

The form is used to track who has checked out and returned an electronic pull-tab or electronic linked bingo device. The form is not used for electronic bingo devices that are used in conjunction with paper or hard-card bingo games.

Two Methods of Use

One Sheet for Each Device

- Enter the device number in the box at the form's upper right-hand corner.
- Ignore the "Device Number" cells in the body of the form.

One Sheet for All Devices

- Ignore the device number box at the top of the form.
- Enter the device number of each checked out device in the "Device Number" box to the left of each player's information.

Checking Out a Device

- Enter the date and time the device was checked out.
- Enter the player's name and driver's license number or other government-issued identification number. The identification must include the player's picture and birthdate.
- A driver's license scanner that prints an adhesive label may be used to enter the player's name, address, and driver's license number. Attach the label over the cells where the information would otherwise be handwritten.

Return of a Device

- When a device is returned, enter the time in the "Time In" box located to the immediate right of the "Time Out" box.
- It's recommended that the seller periodically double-check the Electronic Pull-tab or Linked Bingo Device Log to ensure that all information has been properly recorded for each device.

Worksheet EGD - Electronic Game Deposits

* For purposes of this form, net receipts includes: electronic pull-tab gross receipts less prizes and electronic linked bingo gross receipts less prizes awarded in credits at the site. The actual net receipts for electronic linked bingo will vary from this amount.

Worksheet ELB - Calculation of Amounts Due to Electronic Linked Bingo Provider

This worksheet is used to determine the balance owed to or receivable from the electronic linked bingo provider (ELBP). The ELBP may use an alternative format to provide the organization with this information.

MONTH _____

YEAR _____

Electronic Linked Bingo Net Receipts		
1	Electronic linked bingo gross receipts per point-of-sale (POS)	
2	Prize payout percentage established by electronic linked bingo provider	
3	Electronic linked bingo prize contribution liability (multiply lines 1 and 2)	
4	Electronic linked bingo net receipts (subtract line 3 from line 1)	
Electronic Linked Bingo Provider Fee		
5	Net receipts (from line 4 above)	
6	Electronic linked bingo provider fee percentage	
7	Electronic linked bingo provider fee (multiply line 5 by line 6)	
Amount Owed to (or Receivable from) Electronic Linked Bingo Provider		
8	Amount from line 3 above	
9	Electronic linked bingo credits won	
10	Prize contribution liability balance (subtract line 9 from line 8)	
11	Electronic linked bingo provider fee (from line 7 above)	
12	Balance owed (or receivable from) electronic linked bingo provider (add lines 10 and 11)	